

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 7, 2010

CERTIFIED RETURN RECEIPT 7005 0390 0000 7507 4351

Kenton W. Sunderland, Secretary Ash Grove Cement Company P.O. Box 38069 Leamington, Utah 84538-0069

Subject: Evaluation of Reclamation Surety, Ash Grove Cement Company, County Canyon Mine,

M/023/0024, Juab County, Utah

Dear Mr. Sunderland:

On May 8, 2008, the Division sent the a letter to Ash Grove Cement Company requiring an increase in the reclamation surety for the County Canyon mine from \$123,400.00 (2007 dollars) to \$144,450.00 (2012 dollars). The Division has not received this increase in the surety. The calculation was based on the assumption that there have been no changes to the site since the last bond calculation.

Please provide the updated surety no later than September 13, 2010. Failure to maintain and update the reclamation surety may, after notice and opportunity for Board hearing, result in a withdrawal of the approved notice of intention (R647-4-102) and could result in issuance of a cessation order and associated civil penalties.

If you provide a rider to the existing surety, the only additional paperwork will be to have you sign a new reclamation contract (see next paragraph) and an addendum to Attachment A of the reclamation contract, a form the Division will provide. If you choose to post another form of surety, please contact Penny Berry at (801) 538-5291 to obtain the current bonding forms, or you may access the current forms on the internet at http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm.

The reclamation contract for the County Canyon mine is out of date and needs to be replaced with the new reclamation contract, a copy of which is included with this letter. The Division switched to this new form because the old form had to be modified every time the mine plan was altered, and we are trying to gradually change every operator to this new form.



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Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact me at (801) 538-5261 or Wayne Western at (801) 538-5263.

Sincerely,

Mining Program Manager

PBB:whw:pb

Enclosure: Form MR-RC cc: opie_abeyta@blm.gov

jerry Mansfield@blm.gov
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